

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LITEL TELECOMMUNICATIONS)	
CORPORATION FOR AUTHORITY TO GUARANTEE)	
\$135 MILLION IN SECURED SENIOR NOTES)	
ISSUED BY ITS PARENT, LCI COMMUNICATIONS,)	CASE NO.
INC. AND FOR ADDITIONAL AUTHORITY)	89-308
CONTINGENT UPON LCI COMMUNICATIONS INC.'S)	
ACQUISITION OF PHOENIX NETWORK CORPORATION))	

O R D E R

On October 23, 1989, LiTel Telecommunications Corporation ("LiTel") applied pursuant to KRS 278.300 for authority to guarantee \$135 million in secured senior notes issued by LCI Communications, Inc. ("LCI"), the parent company of LiTel, and for authority for Phoenix Network Corporation ("Phoenix") to make the same guarantee if Phoenix is acquired by LCI. On December 7, 1989, LiTel filed an amended application showing that, if Phoenix is acquired by LCI, Phoenix will not guarantee the notes executed by LCI. Also, the amended application asked for authority to guarantee senior secure notes executed by LCI in the amount of \$140 million. Under KRS 278.300 the Commission has 60 days in which to dispose of the application; however, for good cause, the Commission can continue the application for longer than 60 days. The Commission finds that it is necessary to continue investigation of the application.

This case is a companion case to Case No. 89-292,¹ which concerns the proposed acquisition of Phoenix by LCI. A substantial portion of the debt for which LiTel's guaranty is sought is for the acquisition of Phoenix. That case is still being investigated and the acquisition of Phoenix by LCI has not yet been approved. Pending resolution of the acquisition case any ruling on LiTel's application would be premature.

IT IS THEREFORE ORDERED that the application of LiTel for authority to guarantee the notes issued by LCI shall be and hereby is continued.

Done at Frankfort, Kentucky this 15th day of December, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director

¹ Case No. 89-292, The Joint Filing of LCI Communications, Inc. and Phoenix Network Corporation for Authorization for the Acquisition of Phoenix Network Corporation by LCI Communications, Inc. and Subsequent Consolidation of Phoenix Network Corporation Charter Management Incorporated, and Charter Network Company LP.